

Exhibit 300: Capital Asset Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview & Summary Information

Date Investment First Submitted: 2011-09-16
Date of Last Change to Activities: 2012-07-23
Investment Auto Submission Date: 2012-02-28
Date of Last Investment Detail Update: 2012-02-28
Date of Last Exhibit 300A Update: 2012-07-23
Date of Last Revision: 2012-07-23

Agency: 009 - Department of Health and Human Services
Medicaid Services

Bureau: 38 - Centers for Medicare and

Investment Part Code: 01

Investment Category: 00 - Agency Investments

1. Name of this Investment: CMS Quality Program

2. Unique Investment Identifier (Ull): 009-000281532

Section B: Investment Detail

- 1. Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

The overall goal of the Quality Program Investment (QPI) is to provide a common IT platform to support QIO business operations, promote application, data & information sharing, and to support management information. Under the QIO business lines, CMS maintains contracts with independent community-based organizations to ensure that medical care paid under the Medicare program is reasonable and medically necessary, meets professionally recognized standards of quality, and is provided in the most economical setting. This investment supports data exchange gateways for secure communications and healthcare quality data exchange between QIOs, hospitals, physician offices, nursing homes, ESRD networks and facilities, and data vendors. The contracts under this investment support data center operations, application development, telecommunication fees, helpdesk, project management, ILC artifacts and other IT infrastructure. QPI also provides the application, data, and physical infrastructure to support the QIO business lines with the efficient collection, analysis, dissemination, & management of data guiding policy & intervention, as well as QIO program evaluation. The portion of this investment originally known as QNET, operational in May 1997, interfaces with CMS CO/ROs, QIES, ESRD networks, 53 QIOs, and CDAC systems. QNET greatly expanded to directly include support of goals in PMA Initiative "Expanded E-Government" & the HHS strategic plan of "Improving Health Care Quality, Safety, Cost and Value". The IT

investments under this portfolio will also include the IT work as described above for ACA provisions 3001, 3002, 3004, 3005, and 10332, as these are now OMB approved QIO business lines. Future accomplishments will be to ensure the 10 SOW systems are up and Hospital Reporting System is expanding its data collection for agency quality initiatives under ACA. In addition, CMS is aligning the CMS Physician Quality Incentive Program Investment with ACA section 3002 and the hospital reporting system with ACA section 3001. The Physician Quality Incentive Program has developed and implemented quality measure reporting programs for multiple settings of care and will continue to do so. This program promotes higher quality, more efficient health care for Medicare beneficiaries. The reporting of quality measures encourages physicians to improve their quality of care and empowers consumers with information to make more educated health care decisions.

2. How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.

In the HHS strategic plan, objective 1.3 states: To improve health care quality, safety, cost, and value. This investment addresses all of these goals. The purpose of QualityNet Exchange is to improve the quality of care for Medicare beneficiaries through increased efficiencies in information exchange. CMS publicly reporting quality measures encourages physicians and hospitals to improve their quality of care and empowers consumers with information to make more educated health care decisions. This investment also empowers CMS with quality data from various provider settings and pays for the IT infrastructure for analysis of the data to meet HHS strategic goals 2,3,4. Failure to receive our necessary funds for this investment would cause critical IT systems to go off line; thus causing critical delays or gaps in quality data. This has been proven to show poor quality of patient treatment and therefore increasing the cost of health care in the US (such as preventable readmissions) and jeopardizing patient safety.

3. Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.

This investment is a rollup of Q-net and PQRI and the ESRD Helpdesk. All PY information is captured in those investments.

4. Provide a list of planned accomplishments for current year (CY) and budget year (BY).

QIO 10th Statement of Work multiple system releases, for 2011 and 2012 PQRS/eRx program years, multiple system releases, Hospital Reporting 1.0 and HR 2.0 system releases. The initial Hospital Value Based purchasing release, the initial development work for Ambulatory Surgical centers and psychiatric hospital systems in order to support the various QIO business lines. Several sets of enterprise business requirements for handout to various development contractors. The accompanying sets of ILC artifacts for all the system releases.

5. Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified

fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.

2010-10-01

Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

| | PY-1 & Prior | PY 2011 | CY 2012 | BY 2013 |
|--|--------------------|------------|------------|------------|
| Planning Costs: | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| DME (Excluding Planning) Costs: | \$0.0 | \$0.0 | \$81.3 | \$120.6 |
| DME (Including Planning) Govt. FTEs: | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Sub-Total DME (Including Govt. FTE): | 0 | 0 | \$81.3 | \$120.6 |
| O & M Costs: | \$0.0 | \$0.0 | \$60.8 | \$100.7 |
| O & M Govt. FTEs: | \$0.0 | \$0.0 | \$5.0 | \$5.0 |
| Sub-Total O & M Costs (Including Govt. FTE): | 0 | 0 | \$65.8 | \$105.7 |
| Total Cost (Including Govt. FTE): | 0 | 0 | \$147.1 | \$226.3 |
| Total Govt. FTE costs: | 0 | 0 | \$5.0 | \$5.0 |
| # of FTE rep by costs: | 0 | 0 | 30 | 30 |
| | | | | |
| Total change from prior year final President's Budget (\$) | | \$0.0 | \$147.1 | |
| Total change from prior year final President's Budget (%) | | | | |

2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:

This investment is a new investment that is a combination of the previous CMS Physician Quality Reporting Incentive (MIPPA- PQRI) investment, the CMS Q-net investment, and several new quality ACA IT provisions. The total cost of this investment is higher than the combined costs of the previous investments due to the major development and implementation of the ACA sections(3001,3002,3004,3005,10332).

Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

| Contract Type | EVM Required | Contracting Agency ID | Procurement Instrument Identifier (PIID) | Indefinite Delivery Vehicle (IDV) Reference ID | IDV Agency ID | Solicitation ID | Ultimate Contract Value (\$M) | Type | PBSA ? | Effective Date | Actual or Expected End Date |
|---------------|--------------|-----------------------------------|--|--|---------------|-----------------|-------------------------------|------|--------|----------------|-----------------------------|
| Awarded | 7530 | HHSM500200600016C | | | | | | | | | |
| Awarded | 7530 | HHSM500200900032C | | | | | | | | | |
| Awarded | 7530 | HHSM500200900029C | | | | | | | | | |
| Awarded | 7530 | HHSM500200900083C | | | | | | | | | |
| Awarded | 7530 | HHSM500T0002 | HHSM500200700017I | 7530 | | | | | | | |
| Awarded | 7530 | HHSM500201100108C | HHSM500201100108C | 7530 | | | | | | | |
| Awarded | 7530 | HHSM500201100062C | | | | | | | | | |

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

Exhibit 300B: Performance Measurement Report

Section A: General Information

Date of Last Change to Activities: 2012-07-23

Section B: Project Execution Data

Table II.B.1 Projects

| Project ID | Project Name | Project Description | Project Start Date | Project Completion Date | Project Lifecycle Cost (\$M) |
|------------|--|--|--------------------|-------------------------|------------------------------|
| 294226 | QPI - Psychiatric Hospitals (10322) | The Psychiatric Hospitals Program will include all IT services and functions necessary to serve the needs of the Psychiatric Hospitals Inpatient and Outpatient Public Reporting Program. This program is new and in the development phase. | | | |
| 294311 | QPI- Physician Quality Reporting System (3002) | In 2012, the Physician Quality Reporting System (PQRS) will continue to offer expanded measures and reporting options for Eligible Professionals (EPs). The number of quality measures to be included for 2012 is not established at this time. There were 190 quality measures in 2011. For 2012 there will continue to be multiple reporting options through claims and will continue to include measure groups. The Physician Quality Reporting System will support multiple submission methods such as Electronic Health Record Registry and Group Practices | | | |

Table II.B.1 Projects

| Project ID | Project Name | Project Description | Project Start Date | Project Completion Date | Project Lifecycle Cost (\$M) |
|------------|--------------|---|--------------------|-------------------------|------------------------------|
| | | <p>Reporting Options (GPROs I and II). It is anticipated that the incentive will be based, as in past years, on the total allowed Medicare Physician Fee Schedule charges for the reporting period. Continuing in 2012, there will be the Electronic Prescribing (eRx) Initiative which is available for those EP's that are considered successful electronic prescribers (eRx-ers) as defined in the CMS eRx specifications. As in 2011, both individual and selected GPROs may report on the eRx measure through claims, registries or EHR's. Successful eRx-ers will potentially earn an incentive payment based on their total allowed Medicare Physician Fee Schedule charges for the 12 month reporting period. Currently successful electronic prescribers will not be eligible to receive an incentive under the eRx Incentive Program if they are also receiving an incentive under the Health Information Technology (HIT) Incentive Program authorized by the Recovery Act, enacted on February 17, 2009. Future rule making may further align the incentives programs. EP's that are not electronic prescribers will receive a penalty adjustment starting in 2012 based on the first 6 months of claims data submitted in 2011. The eRx Initiative will provide Interim Feedback Reporting to EP's. Measures and other data sources may be added for the</p> | | | |

Table II.B.1 Projects

| Project ID | Project Name | Project Description | Project Start Date | Project Completion Date | Project Lifecycle Cost (\$M) |
|------------|--|---|--------------------|-------------------------|------------------------------|
| | | 2012 Program Year to allow EP's options for successfully reporting the eRx measure for both the penalty and incentive programs. EP's may have the flexibility of expanding and adding additional hardship codes for exemption for all years. | | | |
| 294349 | QPI- Hospital Value Based Purchasing(3001) | The Hospital Value Based Purchasing is an upgrade to the Hospital Reporting 1.0 release and will include all services and functions necessary to serve the needs of Hospital Inpatient Quality Reporting and Hospital Outpatient Quality Reporting. In addition, it includes the new updates to provide Value Based Purchasing measurements. | | | |
| 294866 | QPI - Standard Data Processing System | The standard data processing system (SDPS) is the data infrastructure for the QIO program. This includes the application development, maintenance, data warehousing, system administration, helpdesk support, and communication lines. | | | |
| 294904 | QPI - Ambulatory Surgical Centers | The 2011 Out-Patient Payment Final Rule proposed a plan for linking Ambulatory Surgical Center (ASC) payment to reporting quality data in the following year; therefore, in CY 2012 CMS is to implement an ASC pay-for-reporting program. The ASC Quality Collaborative (ASC QC) has recommended six measures with National Quality Forum endorsement to be used in implementing ASC pay-for-reporting. This project is | | | |

Table II.B.1 Projects

| Project ID | Project Name | Project Description | Project Start Date | Project Completion Date | Project Lifecycle Cost (\$M) |
|------------|--|---|--------------------|-------------------------|------------------------------|
| | | to build the infrastructure and modify existing systems to accommodate our needs. | | | |
| 295473 | QPI - LTC hospitals, IRF and hospice programs (3004) | The Long Term Care, Inpatient Rehabilitation Hospitals and Hospice Program is being supported by this project. This project includes the development of the business requirements, submission of change requests for existing IT systems and the redesign of the existing IT systems. | | | |
| 295565 | QPI - Cancer Hospitals (3005) | The Cancer Hospital program is being supported by this project. This project includes the development of business requirements, submission of change requests for existing IT systems, and redesign of the existing IT system. | | | |

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

| Project ID | Name | Total Cost of Project Activities (\$M) | End Point Schedule Variance (in days) | End Point Schedule Variance (%) | Cost Variance (\$M) | Cost Variance (%) | Total Planned Cost (\$M) | Count of Activities |
|------------|--|--|---------------------------------------|---------------------------------|----------------------|-------------------|--------------------------|---------------------|
| 294226 | QPI - Psychiatric Hospitals (10322) | | | | | | | |
| 294311 | QPI- Physician Quality Reporting System (3002) | | | | | | | |
| 294349 | QPI- Hospital Value Based Purchasing(3001) | | | | | | | |
| 294866 | QPI - Standard Data Processing System | | | | | | | |

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

| Project ID | Name | Total Cost of Project Activities (\$M) | End Point Schedule Variance (in days) | End Point Schedule Variance (%) | Cost Variance (\$M) | Cost Variance (%) | Total Planned Cost (\$M) | Count of Activities |
|------------|--|--|---------------------------------------|---------------------------------|----------------------|-------------------|--------------------------|---------------------|
| 294904 | QPI - Ambulatory Surgical Centers | | | | | | | |
| 295473 | QPI - LTC hospitals, IRF and hospice programs (3004) | | | | | | | |
| 295565 | QPI - Cancer Hospitals (3005) | | | | | | | |

Key Deliverables

| Project Name | Activity Name | Description | Planned Completion Date | Projected Completion Date | Actual Completion Date | Duration (in days) | Schedule Variance (in days) | Schedule Variance (%) |
|--------------|---|-------------|-------------------------|---------------------------|------------------------|--------------------|------------------------------|-----------------------|
| 294904 | 294904: Requirement Review and sign off | | 2012-05-06 | 2012-05-06 | | 95 | -117 | -123.16% |
| 294904 | 294904: ILC artifacts complete for Release 1 | | 2012-07-01 | 2012-07-01 | | 182 | -61 | -33.52% |
| 294904 | 294904: ASC release 1 initial phase | | 2012-11-06 | 2012-11-06 | | 183 | 0 | 0.00% |
| 294349 | 294349: HVBP integration of code for Version 2 complete | | 2012-12-01 | 2012-12-01 | | 208 | 0 | 0.00% |
| 294866 | 294866: develop QIO 2.0 system | | 2012-12-01 | 2012-12-01 | | 208 | 0 | 0.00% |

Section C: Operational Data

Table II.C.1 Performance Metrics

| Metric Description | Unit of Measure | FEA Performance Measurement Category Mapping | Measurement Condition | Baseline | Target for PY | Actual for PY | Target for CY | Reporting Frequency |
|---|-----------------|--|-----------------------|------------|---------------|---------------|---------------|---------------------|
| percent of stakeholders satisfied with system functionality of the Helpdesk | percent | Customer Results - Service Quality | Over target | 90.000000 | 95.000000 | 95.000000 | 95.000000 | Semi-Annual |
| percent of QIO's submitting through Patriot/Data and Delivery Submission Tool | percent | Mission and Business Results - Services for Citizens | Over target | 100.000000 | 100.000000 | 100.000000 | 100.000000 | Monthly |
| number of issues with QualityNet.org | number | Technology - Information and Data | Under target | 545.000000 | 545.000000 | 525.000000 | 525.000000 | Semi-Annual |
| percent of time the system is available (excluding planned outages) | percent | Technology - Reliability and Availability | Over target | 97.000000 | 99.000000 | 99.000000 | 99.000000 | Monthly |
| percent of Remedy tickets closed within 10 days (based on Remedy reports) | percent | Customer Results - Service Quality | Over target | 90.000000 | 90.000000 | 90.000000 | 90.000000 | Quarterly |
| percent of valid data abstracted from the Clinical Data Abstraction Center | percent | Technology - Reliability and Availability | Over target | 97.000000 | 97.500000 | 98.000000 | 97.500000 | Quarterly |